

November 22, 1999

Terry Dressler, Manager
Major Source Division
Santa Barbara County APCD
26 Castilian Drive B-23
Goleta, CA 93117

Dear Mr. Dressler:

We appreciate the opportunity to comment on the proposed Title V permit for the Exxon SYU Project. We also want to complement the District for preparing a comprehensive compilation of information about the facility in this document. We believe that having all the information in one document is a great example of providing facility-relevant information to the public.

As you know, we had several objection issues with some permit conditions. These issues were discussed among our staff and Mr. Mike Goldman of your office and were resolved. Your letter of November 19, 1999 summarizes the changes that will be made to the proposed permit before it is finalized. For your reference and the project record, we are enclosing the list of the discussed issues and concerns. We are also enclosing additional suggestions for your consideration.

Once, the proposed permit is revised as agreed upon, the District's may issue the final permit. Please contact my staff Nahid Zoueshtiagh at (415) 744-1261 if you have any questions regarding these comments.

Sincerely,

Matt Haber
Chief, Permits Office
Air Division

Enclosure

cc: Mike Goldman, SBAPCD
L.A. Littlejohn, Exxon

ENCLOSURE

OCTOBER 1999 PROPOSED PERMIT FOR EXXON SYU PROJECT

I. Objection Issues

The following summarizes the list of potential objection issues. These issues are now resolved and the District has agreed to address them to our satisfaction as explained in the November 19, 1999 letter from the District to EPA.

1. Oil and Natural Gas Production MACT

The National Emission Standards for Hazardous Air Pollutants (NESHAP) for oil and natural gas production, and natural gas transmission and storage were promulgated on June 17, 1999. Since the draft permit was prepared before the standards were final, the engineering analysis did not include applicability of these standards to the SYU Project. Therefore the proposed permit is silent on these requirements as applicable requirements.

The first milestone in implementing these standards is the facility submittal of notification on applicability. The District will include a condition to require submittal of the notification by 6/17/2000. Should the standards apply to this facility, the permit will then be modified to include the requirements.

2. Permit Shield

All three OCS Platform proposed permits contain in Table 1.1 a broad permit shield covering all NSPS standards. Permit shields must be specific consistent with 40 CFR 70.6(f)(1)(ii). The District Rule 1303.E.4.a.iv specifies that a permit shield may be granted where

“The District has, prior to the permit issuance, determined in writing that other requirements have been specifically identified as not applicable to the source; and the District has included a copy of the determination (or a summary thereof) as a part of the permit.”

The District has not provided a determination that evaluates the applicability of each NSPS. In order to grant such a broad shield, a standard-by-standard evaluation would have to be provided and additional permit language would be necessary in some cases. For example, this evaluation would need to show whether the NSPS do not apply because the facility does not have any equipment covered by an NSPS source category, or because the NSPS does not apply because of the size or construction date of the equipment. If it is the latter, there is the potential that this equipment could be modified such that the NSPS would be triggered in the future. If this is the case, the shield must either state that the

shield applies based on the units size and/or construction and last modification date. Then, if the source modifies, the shield will no longer be valid.

The District will delete this broad shield from the three OCS Platform permits.

3. Credible Evidence

Throughout the permit, there are statements such as “compliance shall be based on the operational, monitoring and recordkeeping requirements of this permit.”

Section 113(a) of the Act gives EPA the authority to bring enforcement actions “on the basis of *any information available* to the Administrator.” Conversely, any credible evidence can also be used to demonstrate compliance. The permit must specify the source’s obligations for monitoring in a way that does not establish an exclusive link between the test method and the emissions limit. Permit language may not

- Specify that only certain types of data may be used to determine compliance
- Specify that certain data is more credible than other types of data, or
- Include language that excuses violations under specific circumstances.

The language in the permit could be misinterpreted to limit the types of information on which compliance could be based. By adding language in Section 9.A, Santa Barbara will have clarified that data need not be explicitly required to be collected in a title V permit in order to be considered credible.

The District will add a condition as stated in the November 19, 1999, to eliminate potential misinterpretation of the above stated permit conditions.

4. IC Engine Replacement Language

We do not believe that replacement of an IC engine with a new engine would be allowed by EPA’s policy on routine repair and maintenance of an emission unit. Therefore, this type of exemptions must be removed (e.g., from Section 9.C.1(b)(iv) in the OCS permits).

The District will delete these exemptions.

5. Supersession

At the end of each permit, following the space for the APCO’s signature, are some notes, including one that states “This permit supersedes all previous APCD permits issued to”

.

As EPA clarified in a May 20, 1999 letter from John Seitz, Director of EPA’s OAQPS, to Robert Hodanbosi and Charles Laggies of STAPPA/ALAPCO, “It is the Agency’s view

that title V permit may not supersede, void, replace, or otherwise eliminate the independent enforceability of terms and conditions in SIP-approved permits.” The letter goes on to explain the legal and practical basis for this position.

The District will delete the note from these permits. We will work with the District to clarify the relationship between the historical PTO and the part 70 operating permit.

6. Section 112(r) Requirements

We understand from the District that the facility has complied with 40 CFR 68 and has submitted its risk management plan (RMP). However, the proposed permit does not include this requirements as an applicable requirement. The District will add a condition to include compliance with the requirements.

7. Variance Language

The proposed permit for Las Flores Canyon facility includes a compliance schedule for the facility to comply with the thermal oxidizer requirements. Although we agree with the District in principal to include a compliance schedule, we do not agree with a statement under Condition C.50 in Section 9 that the condition temporarily relieves Exxon of the requirement to comply with Rule 359 D.2.b.3 and Permit Condition 9.C.2.(b)(iv) until the June 30, 2000, compliance date.

The District will delete this statement from the permit or designate this statement as a District only condition.

II. Suggestions

The following lists suggestions we have for improving the permit conditions.

1. Sulfur Monitoring Frequency

The permit must state the sampling frequency of the flare gas sulfur content instead of referring it to an approved plan.

2. Periodic Monitoring

Where the permit specifies the monitoring by incorporating by reference to a rule or I&M plan, it should at a minimum specify the monitoring method and frequency. Examples of conditions where this approach is recommended are:

1) Conditions 9.C.1.i and ii of PTO No. 9102 to specify that testing with a portable analyzer will be conducted on a quarterly basis.

- 2) Condition C.3(c)(iii) of Permit No. 9101 to specify that testing for H₂S will be conducted on a weekly basis.
- 3) Condition C.4 of Permit No. 9101 to specify frequency of leak detection monitoring.